

Portable Fuel Container (PFC) Regulation Amendments



Sacramento, CA
February 18, 2016

Need for Regulatory Action

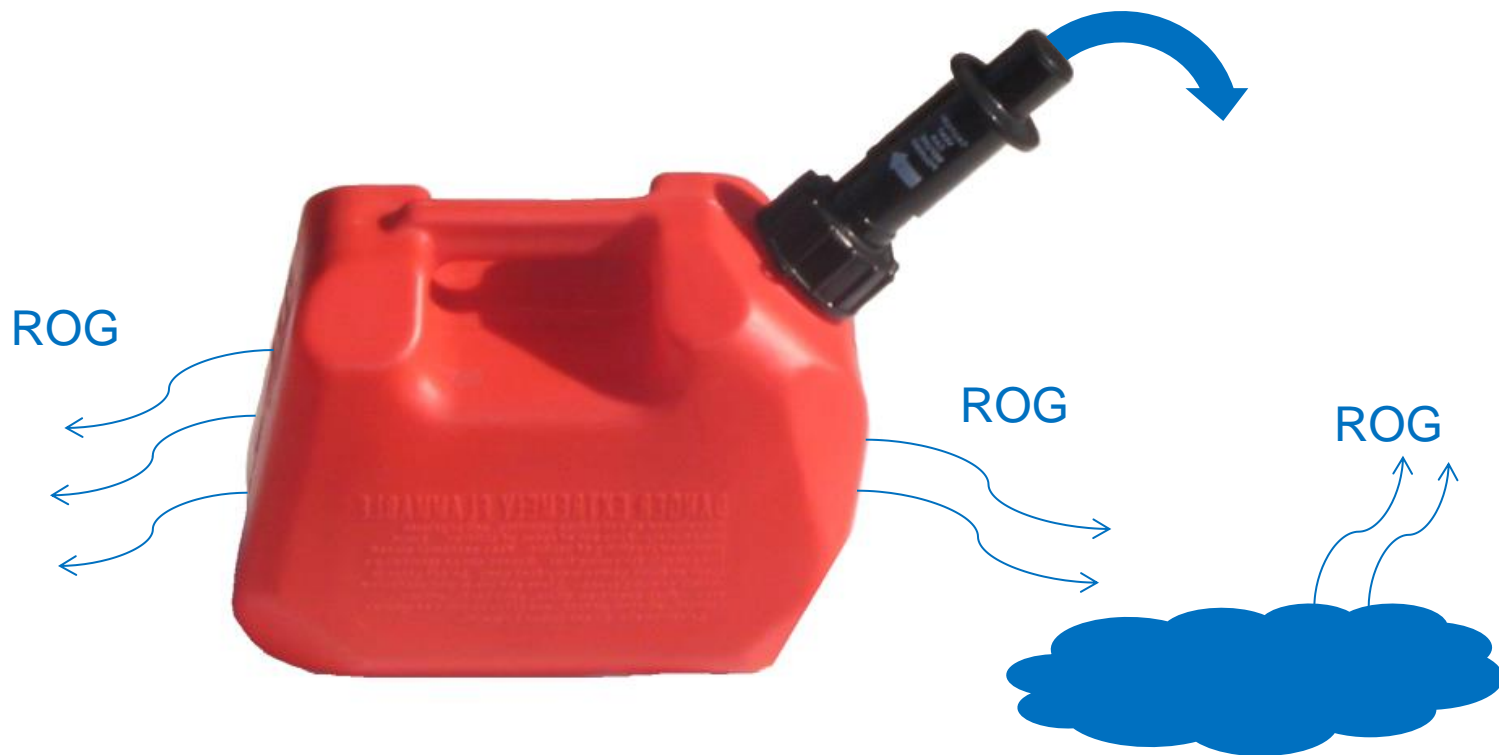
- Low compliance rates for many PFCs
- Outdated certification fuel
- Differing ARB and U.S. EPA certification testing requirements

Background

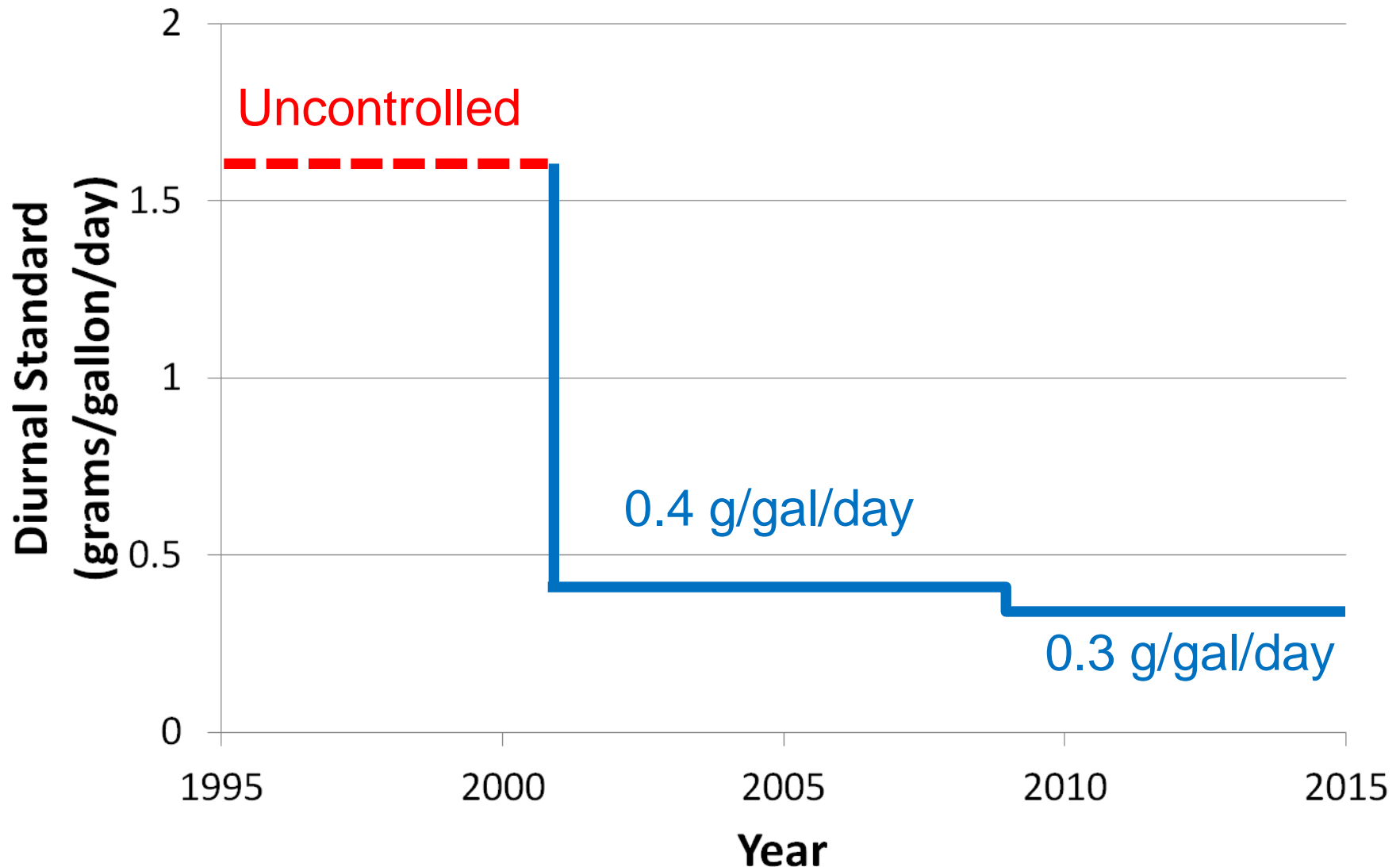
- PFCs are used to refuel small off-road engines and other off-highway recreation vehicles
- Approximately 10 million PFCs in use in California
- A significant source of reactive organic gases (ROG)
- Controls needed to meet air quality standards and reduce risk



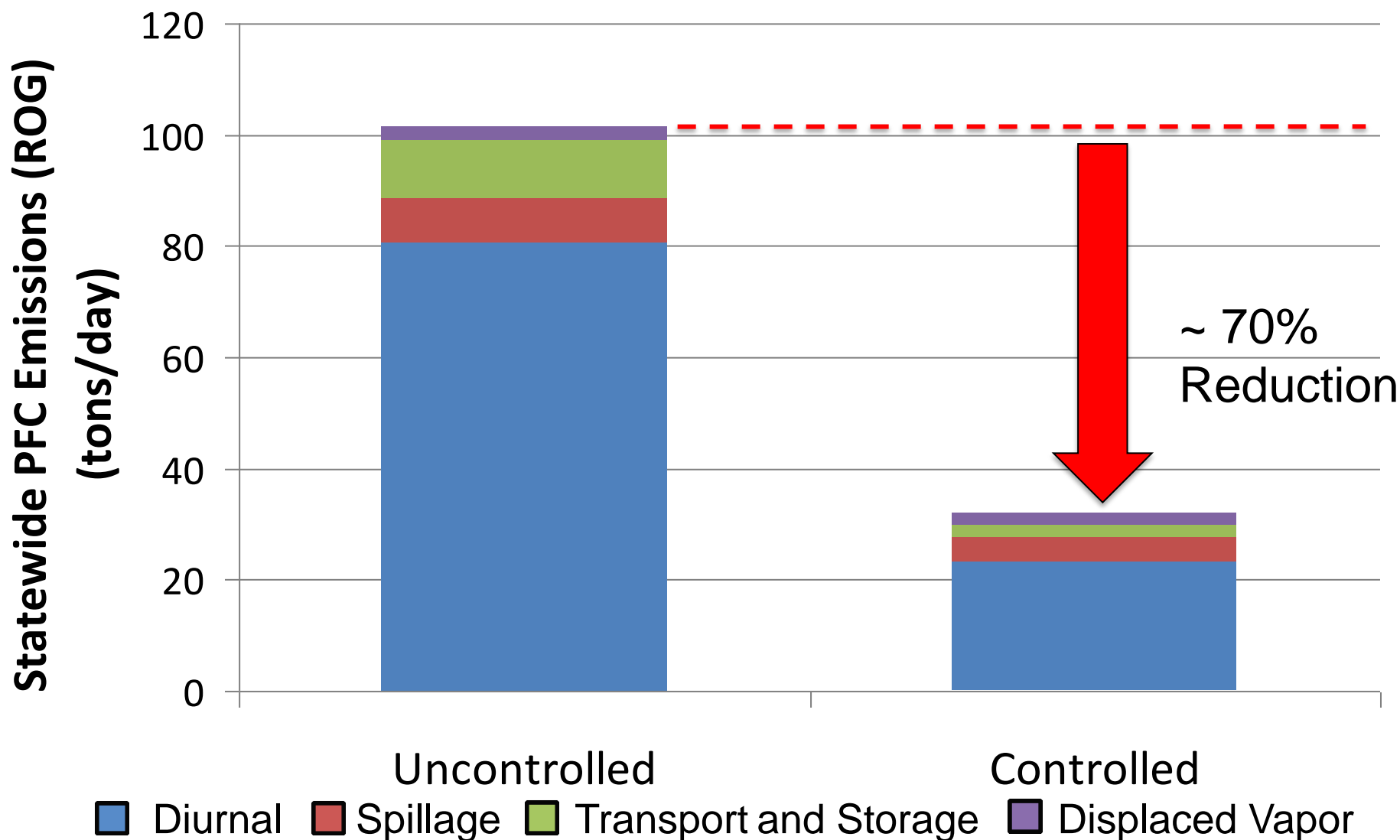
Sources of PFC Emissions



Tighter ARB Standards Over Time



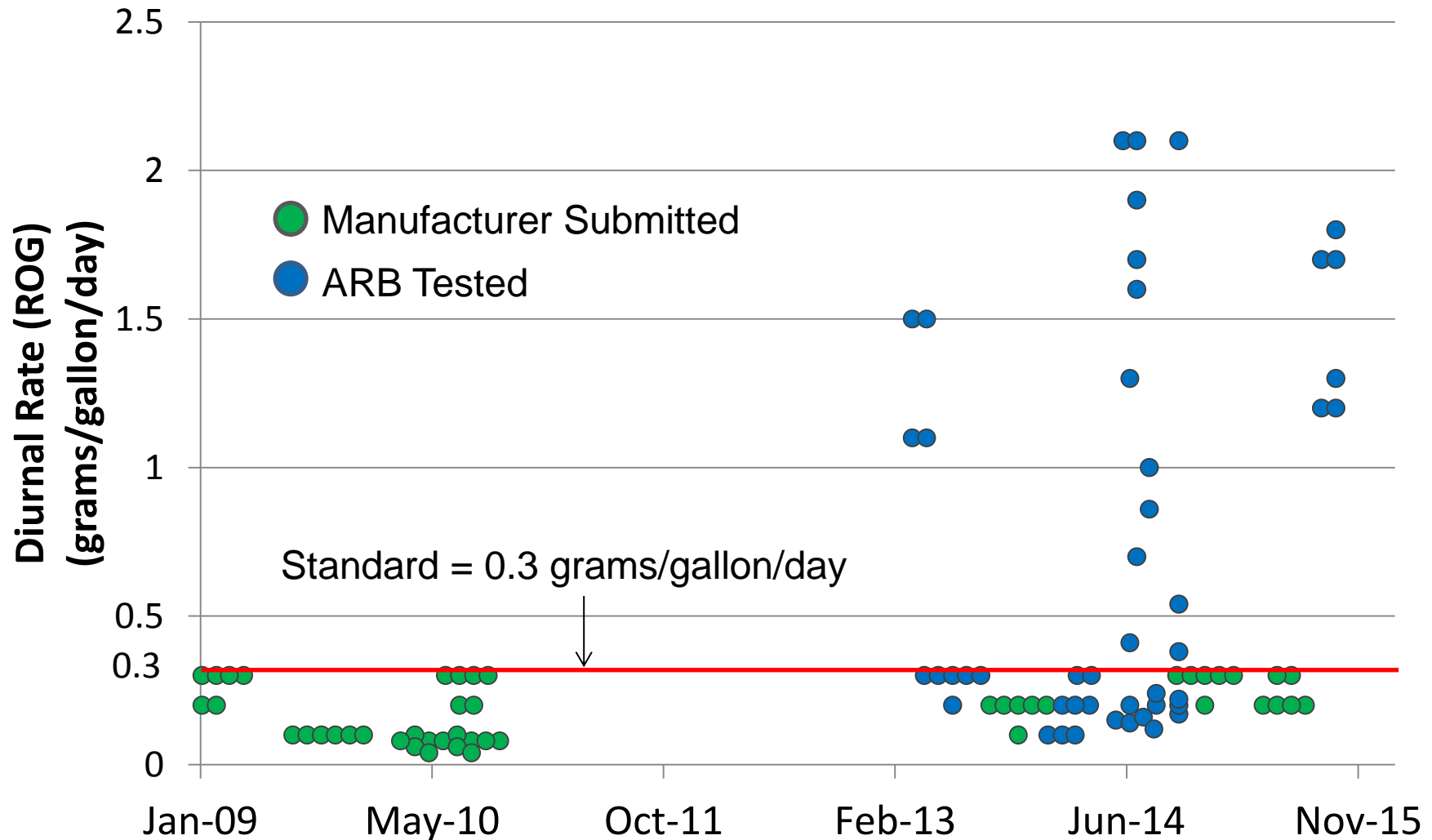
Expected Benefit of ARB Regulation (2015)



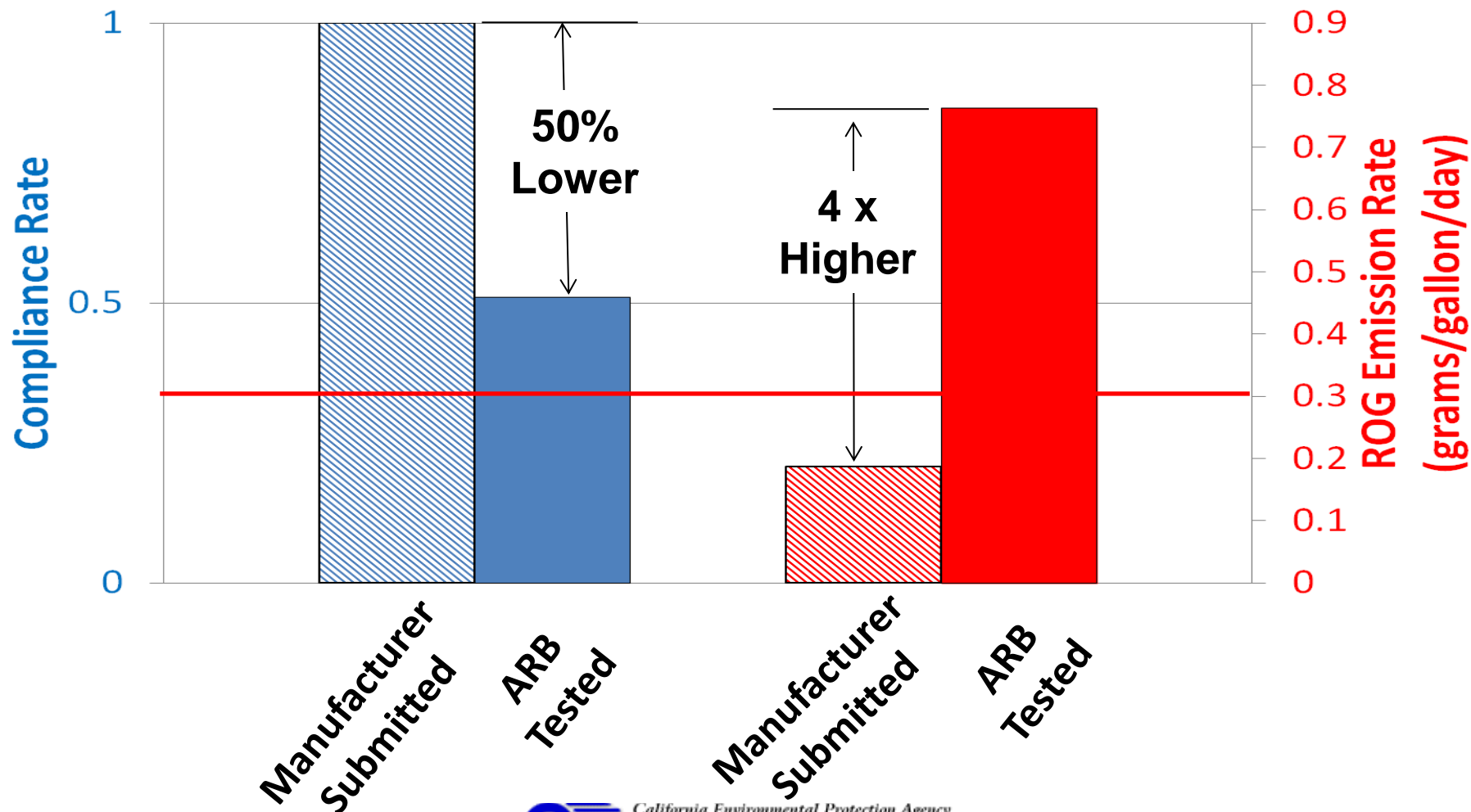
Determining PFC Compliance



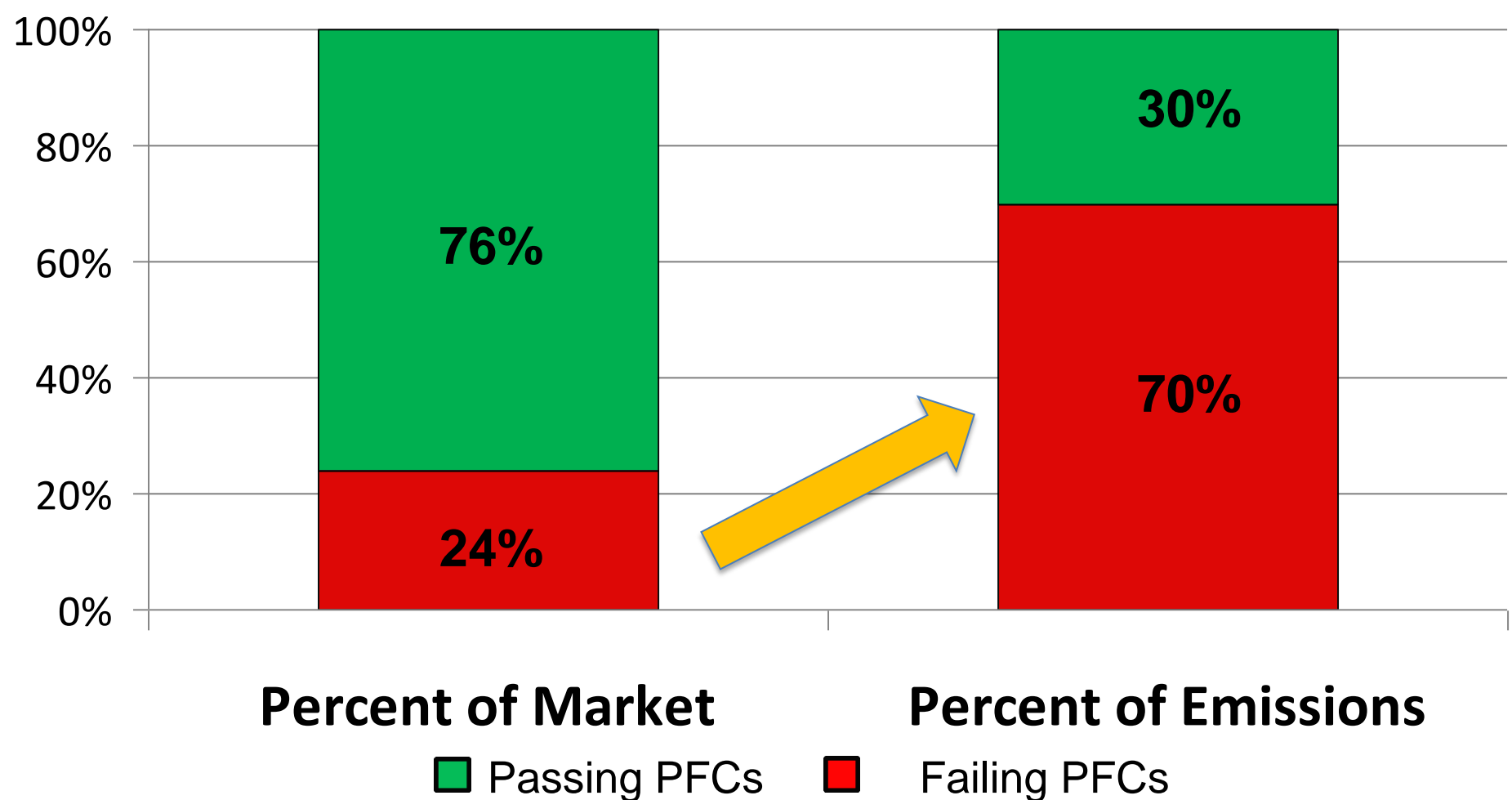
Questionable Manufacturer Data



Lower Compliance and Higher Emissions Than Expected



Noncompliant Manufacturers Have Disproportionate Impact on Emissions



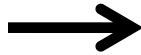
Limited Options to Address Noncompliance

Manufacturer

ARB



Test PFC



Submit
Certification
Package



Evaluate
Certification
Package



Executive Order

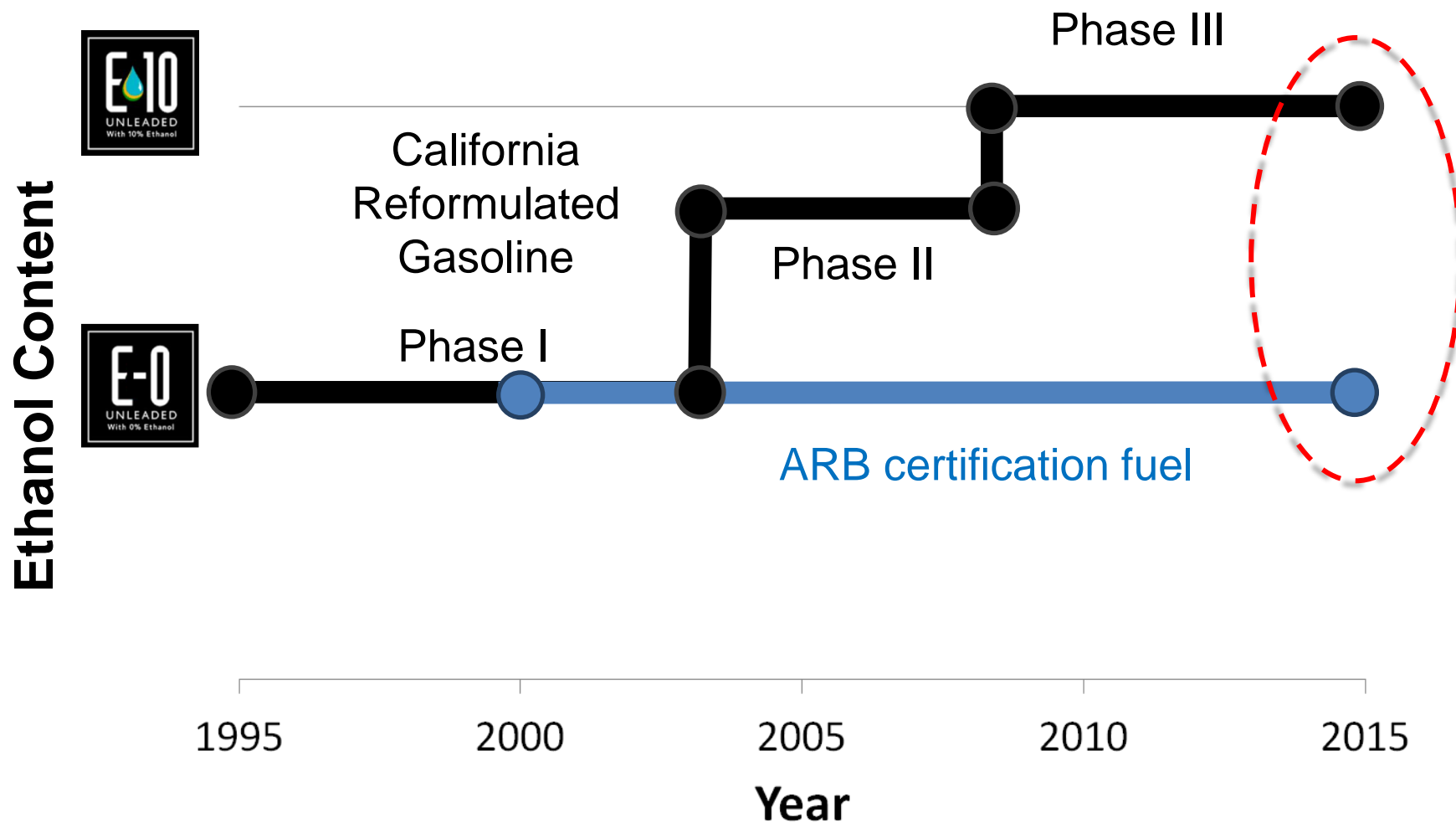


Compliance
Testing



Enforcement
Action

Outdated Certification Fuel



Different ARB and U.S. EPA Certification Testing Requirements

- Requires separate tests for ARB and U.S. EPA
- Double the cost for manufacturers



- 3 PFC sample size
- 72°F-96°F-72°F temperature profile
- 10 percent ethanol and 9 RVP fuel
- Durability tests



- 6 PFC sample size
- 65°F-105°F-65°F temperature profile
- 0 percent ethanol and 7 RVP fuel
- No durability tests

Solutions To Issues Identified

- Actions Currently Underway
 - Interlaboratory comparison
 - Enforcement action
- Proposed Regulatory Amendments
 - Amend certification process
 - Require E-10 certification fuel
 - Provide optional certification testing process

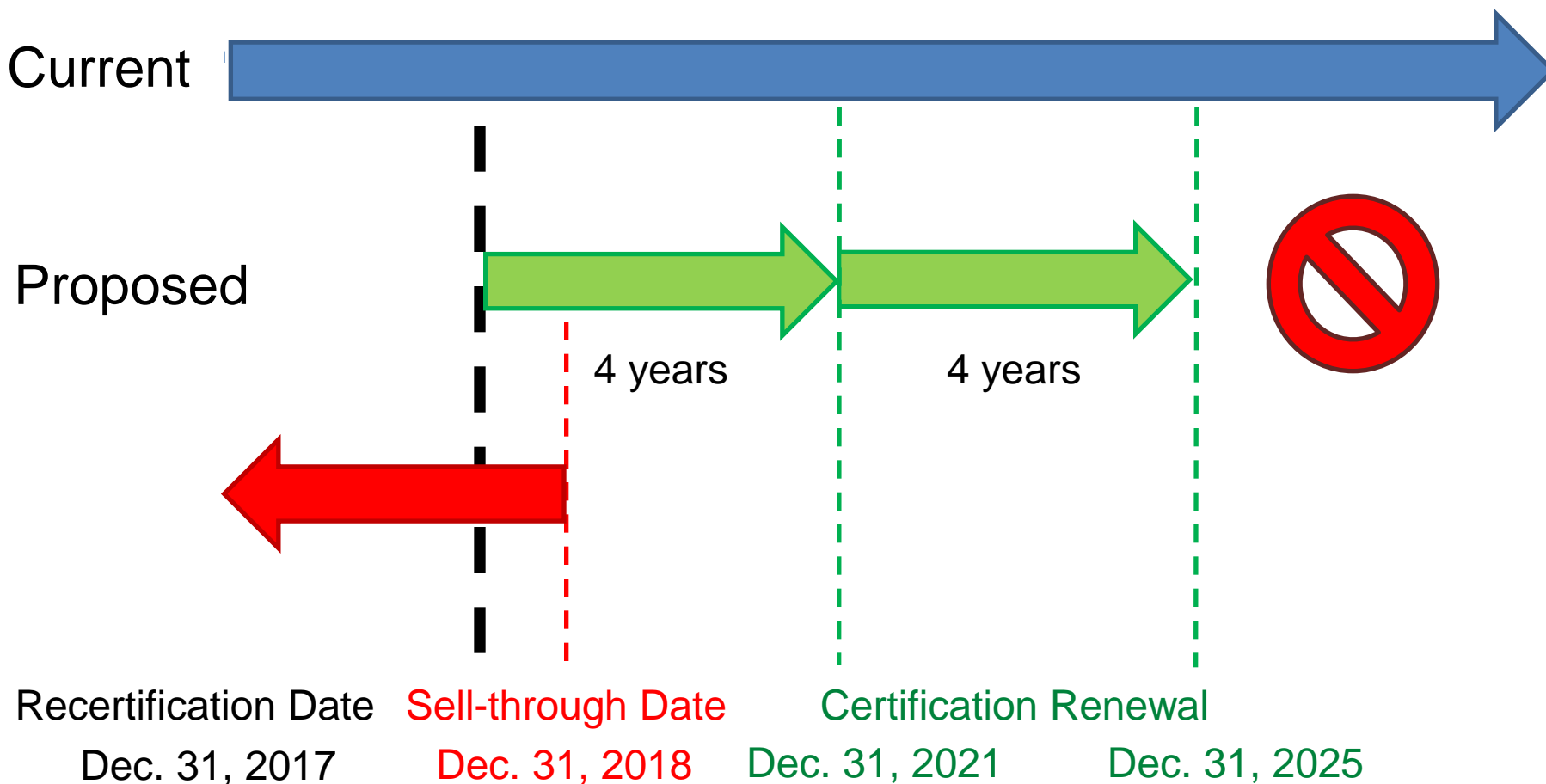
Interlaboratory Comparison

- Focused on understanding discrepancy between ARB and manufacturer test results
- Began in 2015 with manufacturer cooperation
- Comparison of ARB and largest independent testing laboratory
- PFCs from same manufacturing lot tested
- Preliminary results inconclusive
 - Additional testing planned

Ongoing Enforcement Action

- Compliance testing at ARB laboratory
- Seven of eight manufacturers tested
 - Approximately 90 percent of the market
- Action taken against all known noncompliant manufacturers
- Additional compliance testing planned

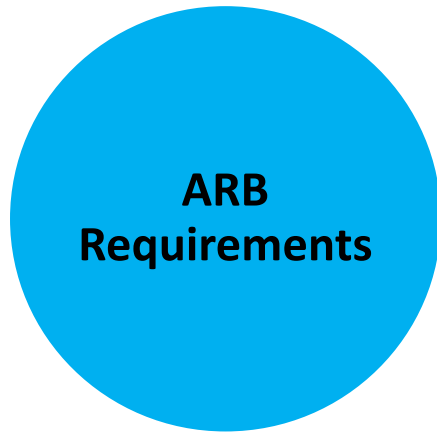
Amend Certification Process



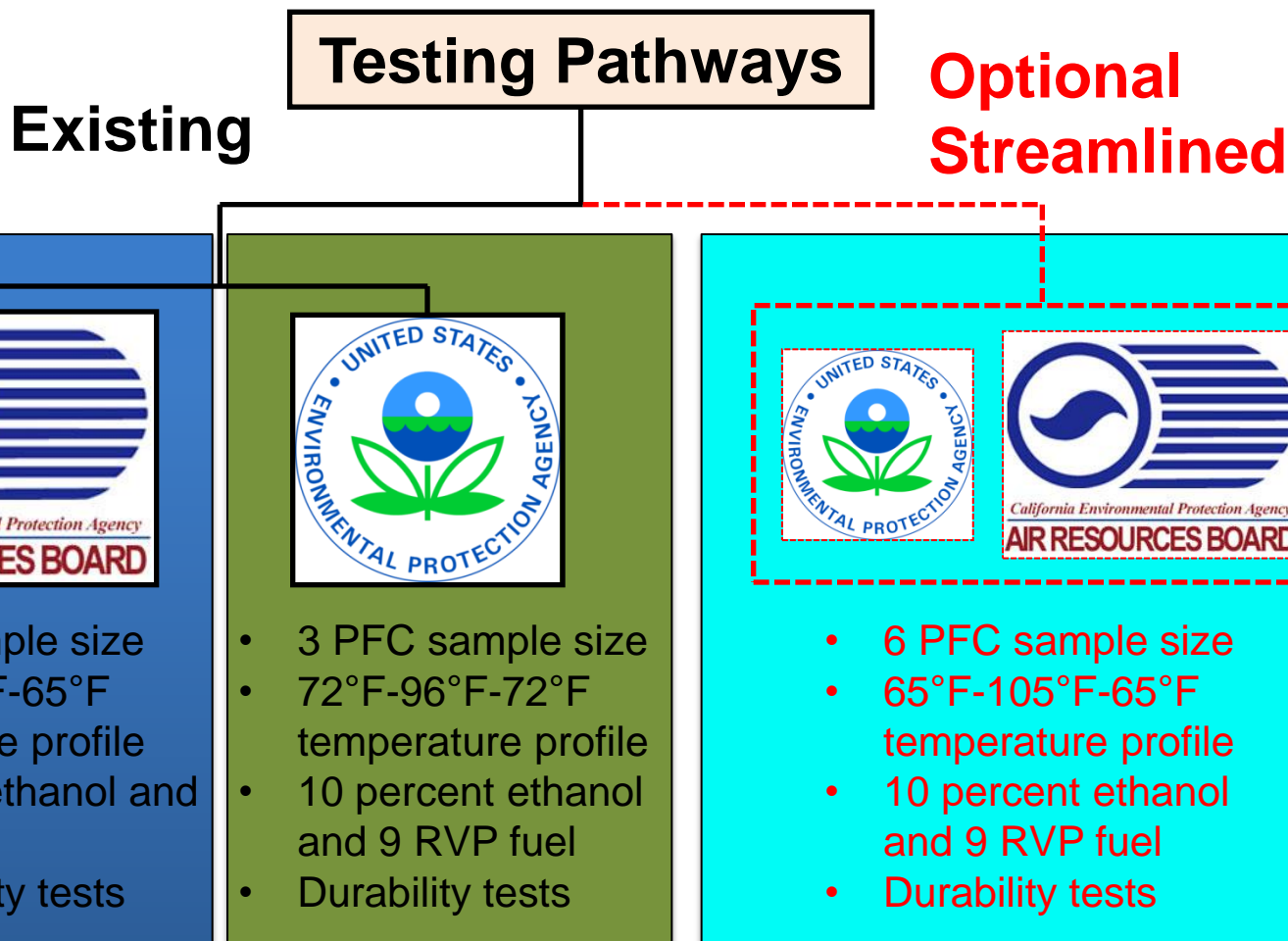
Require E-10 Certification Fuel

- Certification fuel will now be reflective of California pump fuel
- Harmonizes ARB certification fuel with U.S. EPA certification fuel
- Will require manufacturers to recertify existing containers to E-10
- Impact on compliant manufacturers will be minimal as their products typically comply with both E-0 and E-10

Opportunity to Streamline Certification Testing Process



Provide Optional Certification Testing Process



Cost to Manufacturers

- Cost savings due to streamlining are offset by higher costs related to more frequent testing
- Maximum price increase = \$0.36/PFC (2015\$)
 - Based on stakeholder estimates
 - 100 percent retailer mark-up
- Less than 2% increase for a \$20 PFC
- Emissions benefits from increased compliance rates

Collaborative Rulemaking Process

- Multiple workshops and meetings
- Coordinated with U.S. EPA
- Addressed stakeholder concerns



Proposed 15-Day Changes

- Refinement of certification and test procedures
 - Certification testing
 - Manufacturer recordkeeping and reporting
 - Enforcement and penalties
- Also minor editorial changes
- Public process with opportunity for stakeholder comment

Summary and Recommendation

- Amended certification process will improve compliance rates
- Fuel change will reflect currently dispensed gasoline
- Certification testing will be streamlined by aligning with U.S. EPA
- Proposal does not result in economic hardship
- Staff recommends adoption with 15-day changes